

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01583A
Las Quintas Serenas Water Company
Post Office Box 68
Sahuarita, AZ 85629

RECEIVED

AZ CORP COMM
Director Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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6-22-11

COMPANY INFORMATION

Company Name (Business Name) <u>Las Quintas Serenas Water Company</u>			
Mailing Address <u>Post Office Box 68</u>			
(Street)			
<u>Sahuarita</u>	<u>AZ</u>	<u>85629</u>	
(City)	(State)	(Zip)	
<u>(520) 625-8040</u>	<u>(520) 648-3520</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>lqswater@lqs.tuccoxmail.com</u>			
Local Office Mailing Address <u>Same as Above</u>			
(Street)			
<u></u>	<u></u>	<u></u>	
(City)	(State)	(Zip)	
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Cell No. (Include Area Code)</u>	
Email Address <u></u>			

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact: <u></u>			
(Name)		(Title)	
<u></u>	<u></u>	<u></u>	<u></u>
(Street)	(City)	(State)	(Zip)
<u>Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Cell No. (Include Area Code)</u>	
Email Address <u></u>			
On Site Manager: <u>Omar Mejia</u>			
(Name)			
<u>75 W Calle de las Tiendas</u>	<u>Green Valley</u>	<u>AZ</u>	<u>85614</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 625-8040</u>	<u>(520) 648-3520</u>	<u>(520) 403-5289</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>omar@lqs.tuccoxmail.com</u>			

Statutory Agent: <u>Ray Romero, General Manager</u>			
(Name)			
<u>75 W. Calle de las Tiendas</u>	<u>Green Valley</u>	<u>AZ</u>	<u>85614</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 625-8040</u>	<u>(520) 648-3520</u>	<u>(520) 705-0652</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Lawrence V. Robertson, Jr.</u>			
(Name)			
<u>PO Box 1448</u>	<u>Tubac</u>	<u>AZ</u>	<u>85646</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 398-0411</u>	<u>(520) 398-0412</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

DALE R. CALVERT, PLLC

CERTIFIED PUBLIC ACCOUNTANT

2970 N. SWAN ROAD, #220
TUCSON, AZ 85712

Voice (520) 325-1544
Fax (520) 325-1121
E-mail drcalvert@cpatucson.com

June 6, 2011

Board of Directors
Las Quintas Serenas Water Co., Inc.
Green Valley, Arizona

We have compiled the accompanying balance sheet of Las Quintas Serenas Water Co., Inc. as of September 30, 2010 and 2009 and the related comparative statement of income and expenses and the supplementary information contained in the schedule of utility plant in service, schedule of calculation of depreciation expense, schedule of property taxes and schedule of income taxes for the year then ended included in the accompanying prescribed form, Water Utility Annual Report, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or review the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission which differ from a presentation in conformity with generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to Las Quintas Serenas Water Co., Inc.

Dale R. Calvert
Certified Public Accountant

UTILITY PLANT IN SERVICE

Fiscal Year 10/1/2009 - 9/30/2010

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	217
304	Structures and Improvements	239,779	18,037	221,742
307	Wells and Springs	353,281	150,334	202,947
311	Pumping Equipment	464,859	230,518	234,341
320	Water Treatment Equipment	704,256	47,852	656,404
330	Distribution Reservoirs and Standpipes	626,714	92,205	534,509
331	Transmission and Distribution Mains	924,616	563,041	361,575
333	Services	2,427	870	1,557
334	Meters and Meter Installations	101,418	101,418	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	1,137	845	292
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	28,306	16,404	11,902
341	Transportation Equipment	23,292	23,292	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	1,364	1,228
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	7,405	184
348	Other Tangible Plant 309 Supply Mains	222,769	14,836	207,933
	TOTALS	3,703,250	1,268,421	2,434,830

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	0
304	Structures and Improvements	239,779	3.33%	7,985
307	Wells and Springs	353,281	3.33%	11,764
311	Pumping Equipment	464,859	12.50%	58,107
320	Water Treatment Equipment	704,256	3.33%	23,451
330	Distribution Reservoirs and Standpipes	626,714	2.22%	13,913
331	Transmission and Distribution Mains	924,616	2.00%	18,492
333	Services	2,427	3.33%	81
334	Meters and Meter Installations	101,418	8.33%	0
335	Hydrants	0	2.00%	0
336	Backflow Prevention Devices	1,137	6.67%	76
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	28,306	6.67%	1,888
341	Transportation Equipment	23,292	20.00%	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	5.00%	130
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	10.00%	759
348	Other Tangible Plant 309 Supply Mains	222,769	3.33%	7,418
	TOTALS	3,703,250		144,064

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 56,155	\$ 149,067
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	11,219	17,561
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,988	3,901
162	Prepayments	84,918	8,110
174	Miscellaneous Current and Accrued Assets	301,302	253,575
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 457,582	\$ 432,214
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,703,250	\$ 3,703,250
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(1,124,357)	(1,268,421)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 2,578,893	\$ 2,434,830
	TOTAL ASSETS	\$ 3,036,475	\$ 2,867,043

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES	10/1/2009	9/30/2010
	CURRENT LIABILITES		
231	Accounts Payable	\$ 0	\$ 191
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	28,301	22,281
236	Accrued Taxes	12,105	24,554
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	42,729	29,690
	TOTAL CURRENT LIABILITIES	\$ 83,135	\$ 76,715
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 1,725,175	\$ 1,725,175
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	282,527	184,771
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction *	423,350	509,612
272	Less: Amortization of Contributions *	(265,181)	(331,431)
281	Accumulated Deferred Income Tax	25,660	2,039
	TOTAL DEFERRED CREDITS	\$ 466,356	\$ 364,991
	TOTAL LIABILITIES	\$ 2,274,666	\$ 2,166,881
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,550	\$ 2,550
211	Paid in Capital in Excess of Par Value	5,180	5,180
215	Retained Earnings	754,080	692,433
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 761,810	\$ 700,162
	TOTAL LIABILITIES AND CAPITAL	\$ 3,036,475	\$ 2,867,043

*Includes Off-Site Improvement Fees

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR 9/30/2009	CURRENT YEAR 9/30/2010
461	Metered Water Revenue	\$ 478,028	\$ 478,070
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	5,740	4,281
	TOTAL REVENUES	\$ 483,768	\$ 482,350
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 133,889	\$ 145,297
610	Purchased Water	0	0
615	Purchased Power	78,777	74,151
618	Chemicals	955	320
620	Repairs and Maintenance	9,189	4,517
621	Office Supplies and Expense	14,292	17,356
630	Outside Services	14,203	62,913
635	Water Testing	6,813	5,229
641	Rents	12,874	10,398
650	Transportation Expenses	7,045	11,453
657	Insurance – General Liability	2,719	2,682
659	Insurance - Health and Life	9,052	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	11,470	13,490
403	Depreciation Expense *	71,881	87,095
408	Taxes Other Than Income **	57,627	13,231
408.11	Property Taxes	18,310	21,935
409	Income Tax	498	50
	TOTAL OPERATING EXPENSES	\$ 449,597	\$ 470,117
	OPERATING INCOME/(LOSS)	\$ 34,171	\$ 12,233
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 4,833	\$ 3,167
421	Non-Utility Income	79,025	38,583
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(88,351)	(115,631)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (4,493)	\$ (73,881)
	NET INCOME/(LOSS)	\$ 29,678	\$ (61,647)

* Depreciation
Amortization of Debt Issuance Costs
Amortization of Contributions & Off-Site Improvement Fees

\$145,889	\$144,064
9,281	9,281
(83,299)	(66,250)
-----	-----
\$71,881	\$87,095
-----	-----

** Includes adjustment for Deferred Taxes of

\$42,805

\$0

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	4/1/2007			
Source of Loan	Water Infrastructure Financing Authority			
ACC Decision No. ***	69380 and 68718			
Reason for Loan	Arsenic Treatment Facility			
Dollar Amount Issued	\$ 1,981,160	\$	\$	\$
Amount Outstanding	\$ 1,725,175	\$	\$	\$
Date of Maturity	2/1/2027			
Interest Rate	6.6 %	%	%	%
Current Year Interest	\$ 130,912.28	\$	\$	\$
Current Year Principle	\$ 0	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 17,321

Meter Deposits Refunded During the Test Year \$ 3,662

*** Decision number 68718 dated March 1, 2006 authorized Las Quintas Serenas Water Company to borrow up to \$1,580,446 from WIFA for a term of 20 years at the prevailing interest rate. The purpose of this loan was to finance construction of arsenic treatment facilities. Decision number 69380 dated January 31, 2007 authorized Las Quintas Serenas Water Company to borrow up to \$400,714 from WIFA for a term of 20 years at a rate not to exceed 6.6% per annum. The purpose of this loan was to finance construction of additional storage and related transmission facilities. Pursuant to such authorizations, Las Quintas Serenas Water Company received funds of \$1,981,160 from WIFA which is the equivalent of the amount allowed by the two decisions. In that regard, WIFA opted to combine the two loans and accordingly both decision numbers have been listed as loan #1 above.

COMPANY NAME	Las Quintas Serenas Water Company
Name of System:	ADEQ Public Water System Number: 10064

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
#5-55608531	40	200	513-805	10" - 8"	4"	1976
#6-55608530	75	500	837	12"	4"	1971
#7-55566940	150	825	915	12"	8"	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25 HP	4	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000 Gallon	1	1,000	2
60,000 Gallon	1	2,500	1
400,000 Gallon	1	3,000	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Las Quintas Serenas Water Company
Name of System:	ADEQ Public Water System Number: 10064

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Copper	250
3	Transite	240
4	Transite	19,840
5	N/A	N/A
6	Transite	32,487
8	Transite	2,760
10	Transite	420
12	Transite	1,340
2	Plastic	1,550
4	Plastic	5,100
6	Plastic	25,158
8	Plastic	13,180
12	Plastic	1,950
6	Ductile Iron	575

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	814
3/4	7
1	27
1 1/2	7
2	2
Comp. 3	0
Turbo 3	0
Comp. 4	1
Turbo 4	0
Comp. 6	1
Turbo 6	0
Standpipe	151

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

1,276 gpm Arsenic Treatment Facility consisting of two (2) each 10'10" diameter absorbtion tanks and one (1) each 12'0" x 16'4" backwash/rinse water holding tank at Well No. 6.

STRUCTURES:

Steel Portable Shed 8' x 20' at Well No. 5

Steel Portable Shed 8' x 40' at Well No. 7

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Las Quintas Serenas Water Company
Name of System:	ADEQ Public Water System Number: 10064

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	6	0
MARCH	0	1	0
APRIL	0	2	0
MAY	0	0	0
JUNE	0	21	0
JULY	0	24	0
AUGUST	0	9	0
SEPTEMBER	0	8	0
OCTOBER	0	5	0
NOVEMBER	0	0	0
DECEMBER	0	4	0
TOTALS →	0	80	0

OTHER (description):

Emergencies to include, but not limited to, waterline breaks, electrical outages, wells out of production, etc.

COMPANY NAME Las Quintas Serenas Water Company **YEAR ENDING 12/31/2010**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 20,916.49

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**

Taxes

RECEIVED

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Ray Romero, General Manager
COMPANY NAME	Las Quintas Serenas Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

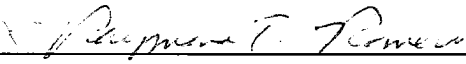
MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

520-629-8640

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

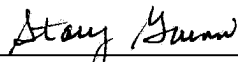
10th

DAY OF

COUNTY NAME	Pima
MONTH	June
	2011

(SEAL)

MY COMMISSION EXPIRES  STACY GUINN
Notary Public - Arizona
Pima County
My Comm. Expires Oct 15, 2013



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Las Quintas Serenas Water Company

Fiscal Year Ending 9/30/2010

~~YEAR ENDING 12/31/2010~~

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>(79,390)</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>(123,201)</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

11/16/11
DATE

Ray Romero
PRINTED NAME

General Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Ray Romero, General Manager
COMPANY NAME	Las Quintas Serenas Water Company

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 500,148.48

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 28,171.15
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
520-625-8640
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

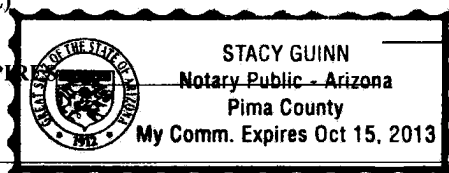
10th

DAY OF

COUNTY NAME	Pima	
MONTH	June	.20 <u>11</u>

(SEAL)

MY COMMISSION EXPIRES




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

VERIFICATION

AZ CORP COMM
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Ray Romero	TITLE General Manager
COMPANY NAME Las Quintas Serenas Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 382,301.64

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 22,818.64
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Ray Romero
SIGNATURE OF OWNER OR OFFICIAL

326.625-8040
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

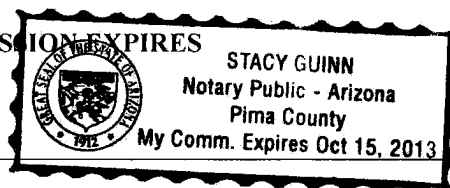
10th

DAY OF

NOTARY PUBLIC NAME Stacy Guinn	
COUNTY NAME Pima	
MONTH June	, 2011

(SEAL)

MY COMMISSION EXPIRES



STACY GUINN
Notary Public - Arizona
Pima County

My Comm. Expires Oct 15, 2013

Stacy Guinn
SIGNATURE OF NOTARY PUBLIC